

# Personnel Monthly

## State Personnel Department

### FIGHT TO PROTECT STATE EMPLOYEES' DEFERRED COMPENSATION PLAN CONTINUES

At its June meeting, the State Personnel Board passed a resolution to provide a six month notice of termination of the contracts with Nationwide Retirement Solutions relating to the State of Alabama Deferred Compensation Plan. During this period, deferrals should continue as normal and Nationwide has assured the Board that Plan assets will be protected and services to Plan Participants will be uninterrupted. During the next six months, the process for selecting new investment alternatives and service providers will begin, and proposals will be requested. State law gives ASEA the responsibility of making a recommendation as to who will administer the Plan in the future. In the selection process, the Board will make every effort to ensure that the Plan will be maintained for the exclusive benefit of Plan Participants and that a recommendation will not be based upon, or affected by, promises of any undisclosed compensation to ASEA, or to any other party.

In making the decision to terminate the contracts, the State Personnel Department considered the continued refusal of ASEA and Nationwide to make public information affecting your Deferred Compensation Plan and your retirement assets. Each of these entities has consistently refused to make Plan-related documents and information public, despite repeated requests from the Board. Rather, Nationwide and ASEA continue to maintain that an order they requested that the court impose prevents them from making the requested disclosures. However, Paragraph 18 of the "protective" order that ASEA and Nationwide proposed specifically provides that "[n]othing herein shall prevent a Party from using or disclosing its own documents or information which it is otherwise free to disclose." (A copy of the protective order is available on the State Personnel Department [web-site](#).) The State Personnel Board requested that ASEA and Nationwide each produce its own documents. The documents requested were also

public documents, as they relate to a public deferred compensation plan. Yet, ASEA and Nationwide still refuse to produce the documents for public review or comment.

Nationwide admits that it has been making payments to ASEA or PEBCO, Inc., ASEA's wholly-owned, for-profit subsidiary. ASEA's own public tax returns indicate receipt of \$5,900,000 as either a "Nationwide Commission" or a "PEBCO Endorsement Fee" between 2005 and 2007. Why will these entities not disclose the specific information, such as how much money is actually being paid, why is it being paid, and where, or to whom, is the money going?

In order to protect the Plan and Plan assets, the State Personnel Board, which is charged with maintaining the State's 457 Deferred Compensation Plan, passed an "Anti-Kickback" Amendment to the Plan on April 29, 2009. This Amendment is designed to ensure that no Plan-related payments are made without the Board's approval, thereby ensuring that the State's Plan really is maintained for the exclusive benefit of the State Employee Plan Participants and beneficiaries.

The State Personnel Board requested that both ASEA and Nationwide appear at a specially called Board meeting on May 28, 2009 to discuss the Plan. ASEA and Nationwide both refused. Instead, ASEA and PEBCO each filed lawsuits claiming that the "Anti-Kickback" Amendment violated various due process, property, and contractual rights, and further, that the Board's conduct in passing the Amendment was willful and wonton and amounted to intentional interference with the business relationships of ASEA and PEBCO.

Both lawsuits seek compensatory and punitive damages against the four individual Board members (including a long time member of ASEA) who voted for the "Anti-Kickback" Amendment. After ASEA and Nationwide refused the Board's invitation to the May 2009 meeting, the State Personnel Director issued

subpoenas for the production of Plan-related documents and attendance at the Board's June 2009 meeting. Nationwide sought a court order quashing the subpoena, and filed a Motion for a Protective Order. ASEA objected to its subpoena, again refusing to provide Plan-related documents and information, and even filed a Motion to Quash the Subpoena which sought sanctions against the State Personnel Director. As State Personnel Board member, John McMillan, said: "It's just amazing to me the lengths that the group that is supposed to be the advocate for State employees will go...to keep this issue a secret from State employees."

The refusal of Nationwide and ASEA to provide the documents to answer these questions placed the Board in the untenable position of overseeing a public employee deferred compensation plan, with the knowledge that Nationwide was making large payments to ASEA but without being able to determine the total amount, the reason for the payments, or whether the payments lowered the return on investments of Plan Participants like you. It was under these circumstances that the Board voted to terminate the existing contracts.

Please be assured that the State Personnel Board is fighting to correct any wrongdoing that may have occurred with respect to the State's Deferred Compensation Plan and your assets. Moving forward, the Board is determined to ensure that anyone involved with the Plan will be committed to maintaining the best possible deferred compensation plan for State employees.

For more information and updates on the situation, including copies of the subpoenas that were issued to Nationwide and ASEA, and ASEA public tax documents, please visit our website at [www.personnel.alabama.gov](http://www.personnel.alabama.gov). (As ASEA claims it is a non-profit labor organization for tax purposes, a portion of its tax information is required to be public and can be found on the internet.)

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#### Special points of interest:

- **Snapshots from State Employee Recognition Day!**
- **Personnel Training Schedule**
- **The next State Personnel Board meeting is scheduled for July 9, 2009 at 10:00 a.m.**
- **Donated Leave Requests: Your fellow State employees need your help!**

#### Inside this issue:

Employee of the Year Nominees	2
State Employee Recognition Day: A Success!	2
Training Schedule	2
Legislative Recap	2
State Employee Recognition Day Snapshots	3
Special State Employee Coupon	3
Donated Leave Requests	4

## Employee of the Year Nominees

The State Personnel Department announced the winners of the Executive, Judicial, and Legislative Employee of the Year awards during the State Employee Recognition Day program. However, we had many wonderful nominees who are also deserving of recognition. Listed below are the employees who were nominated for the Employee of the Year awards:

- ◆ *Executive Branch winner Richard Miller from the Department of Conservation and Natural Resources;*
- ◆ *Judicial Branch winner Rebecca Oates from the Administrative Office of Courts;*
- ◆ *Legislative Branch winner Barbara Dickey from the House of Representatives;*
- ◆ *Samuel Mitchell from the Department of Forensic Sciences;*
- ◆ *Elizabeth Ann Cooper from the Department of Youth Services;*
- ◆ *Wendy Williams from the Department of Corrections;*
- ◆ *Kim Hammack from the Department of Mental Health;*
- ◆ *Andrea Ashley from the Department of Public Safety;*
- ◆ *Demea Mercer from the State Auditor's Office;*
- ◆ *Effie Brown from the Department of Insurance;*
- ◆ *Karen Taylor from the Department of Senior Services;*
- ◆ *Marjorie Mathews from the Department of Rehabilitation Services;*
- ◆ *Dawn Miller from the Child Abuse Prevention/Children's Trust Fund;*
- ◆ *Jerry Haynes from the Department of Agriculture and Industries; and*
- ◆ *Mary Freeman from the State Personnel Department.*

## State Employee Recognition Day: A Success!

Thank you to those who attended our second annual State Employee Recognition Day! We are pleased that so many people stopped by on their lunch break to join in the fun. Thank you for helping make the event a success!

We would also like to thank our vendors Boomer T's, Chick-Fil-A, Papa John's, Catfish One, The Cone Zone and Mini Melts for providing food and the Alabama State Employees' Credit Union for providing entertainment!

Additionally, thank you to the agencies and businesses who donated prizes for our attendees. The winners of our newsletter drawings were Carolyn Crane from the Talledega County Department of Public Health, who won tickets to the Motorsports Hall of Fame and Kem Leonard-Jamar from the Madison County Department of Human Resources, who won tickets to Disney on Ice.

You can find snapshots of the event on [Page 3](#), as well as a special coupon from the offi-

cial photographers. If you would like to purchase an official navy "State Employees, The MVP's of Alabama" t-shirt, please e-mail the [newsletter](#) for information. You may also find Governor Riley's Proclamation declaring May 3 -10, 2009 as Alabama State Employee Recognition Week on our [website](#). Please feel free to print or e-mail the Proclamation.

The State Personnel Department hopes everyone will plan to participate in the 2010 Employee Recognition Day celebration!

## Personnel Training Schedule— July and August 2009

The following Personnel Training seminars are being offered in July and August. All training offered by Personnel is free to the employee and to the agency. For more information please visit the State Personnel Department website at [www.personnel.alabama.gov](http://www.personnel.alabama.gov). To register for a class, please see your agency's training coordinator. We look forward to seeing you in class this summer!

**July 21:**  
"Sexual Harassment Prevention" morning session in Montgomery

**July 21:**  
"Sexual Harassment Prevention" afternoon session in Montgomery

**July 23:**  
"Interview and Selection" in Montgomery

**July 28:**  
"Time Management" in Montgomery

**July 29:**  
"Performance Appraisal for Supervisors" in Montgomery

**July 30:**  
"Progressive Discipline" in Montgomery

**August 11:**  
"Employment Law for Supervisors" in Montgomery

**August 18-19 and August 26-27:**  
"Train the Trainer: The Basics" in Montgomery

**August 25:**  
"Employment Law for Supervisors" in Birmingham at Rehabilitation Services

## 2009 Legislative Recap

The 2009 Regular Legislative Session was packed with controversial issues. However, one thing remained clear: State employees were on the minds of our legislators.

The State Personnel Department is excited to announce that the Alabama State Legislature passed two very important bills relating to State employees.

The first bill, House Bill 220, was sponsored by Representative Hill (Senator Means sponsored a companion bill in the Senate) and has been enacted. This new law man-

dates that during times of lay offs, non-merit employees shall be separated from service prior to merit system employees in situations where they are performing substantially similar duties. On behalf of all State employees, the State Personnel Department would like to thank Representative Hill and Senator Means for their efforts.

The second bill, Senate Bill 297, was sponsored by Senator Beason and has also been enacted. The law allows State agencies to redact personal identifying information from employ-

ees' files, such as home address and spouses' names, when releasing information in response to a Open Records Request. Agencies are now able to deter identity theft, as well as to protect your personal safety. Thank you Senator Beason for sponsoring such an important bill!

These bills could not have passed without the full cooperation of both houses of the Legislature. Thank you to all members of the Alabama House of Representatives and the Alabama Senate!

## State Employee Recognition Day Snapshots



Employees gather on the plaza of the Gordon Persons Building.



State Personnel Director Jackie Graham welcomes employees to the Second Annual Employee Recognition Day.



Employees enjoy lunch from Chick-Fil-A.



Judge William Thompson recognizes Judicial Employee of the Year Rebecca Oates.



Representatives Greg Wren and Barry Mask recognize Legislative Employee of the Year Barbara Dickey.



Conservation and Natural Resources Deputy Director Hobbie Sealy recognizes Officer Richard Miller.



Employees enjoy lunch from Boomer T's.



Employees line up for treats from The Cone Zone.



State Employee Recognition Day was a success, thanks to our generous sponsors!

## SPECIAL STATE EMPLOYEE DISCOUNT



Image Masters Studios, the official photographer for State Employee Recognition Day, is offering State employees a special discount! Thank you to photographers Darren and Lisa who gave generously of their time and talents in order to photograph our event!

Exclusively for  
State of Alabama Employees  
**\$199 Portrait Art Special**

*\*includes: family studio session, digital art enhancements,  
and one 16x20 canvas art portrait print*

presented by Image Masters Studio  
Darren Freeman - 334.215.7827

offer expires 9.30.09



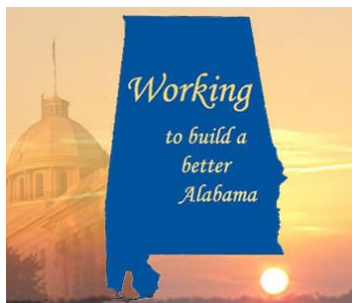
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The Alabama Merit System law created the Personnel Department to be administered by a Personnel Director who answers to an independent board. The Board currently consists of four members who serve staggered six-year terms. Two members are appointed by the Governor, one by the Lieutenant Governor, one by the Speaker of the House, and one member is an elected classified State employee who is subject to all merit system rules and regulations.

By law the Board is required to meet once each month. Its principal functions are to:

- \*adopt and amend rules and regulations;
- \*adopt and modify classification and pay plans;
- \*hear the appeals of employees who have been dismissed;
- \*represent the taxpayers' interest in the improvement of personnel management in the state; and
- \*advise and assist the Personnel Director.

The Personnel Department is divided into 9 major areas: Classification and Pay; Examination; Certification; Payroll and Personnel Audit; Information Technology; Training; Legal; Administrative Law Judge; and Special Projects. Please remember, the Personnel Department is here to protect the merit system and to serve as a resource for State employees and the citizens of Alabama!

The Personnel Board is scheduled to meet on July 9, 2009 in the Board Room on the 3rd Floor of the Folsom Administrative Building in Montgomery. The meeting is open to the public.

## Donated Leave Requests



To assist those who have qualified for catastrophic sick leave, State Personnel is listing the names of those State employees who are in need of donated leave. The following individuals need your help!

- ◆ Avery Allison with Transportation;
- ◆ Brandon Atkinson with ABC Board;
- ◆ Cassandra Belyeu with Tourism and Travel;
- ◆ Barbara Betts-Brown with Education;
- ◆ Beth Bielen with Transportation;
- ◆ Mary Bradley with Public Health;
- ◆ Arthur Bristow with Revenue;
- ◆ Angela Brown with Transportation;
- ◆ Alan Bryant with Transportation;
- ◆ Allegra Burroughs-Walker with Cosmetology;
- ◆ Sonya Burton with Human Resources;
- ◆ Linda Butler with Public Health;
- ◆ JenaAnne Campbell with Corrections;
- ◆ Barbara Cleveland with Pardons and Paroles;
- ◆ Phyllis Cleveland with Public Health;
- ◆ Kissi Coley with Public Health;
- ◆ Deanna Coman with Revenue;
- ◆ Joni Coman with Revenue;
- ◆ Roberta Crenshaw with Corrections;
- ◆ Sidera Cunningham with Human Resources;
- ◆ Gregory Dykes with Corrections;
- ◆ Carolyn Ellis with Mental Health;
- ◆ Pamela Elmore with Revenue;
- ◆ Brenda English with Public Health;
- ◆ James Farris with Revenue;
- ◆ Daniel Fithian with Forensic Sciences;
- ◆ Clara Frost with Mental Health;
- ◆ Jacqueline Gaines with Human Resources;
- ◆ Kelvin Gary with Corrections;
- ◆ Kenneth Golson with Finance;
- ◆ Murphy Golson with Transportation;
- ◆ Carla Gray with Examiners of Public Accounts;
- ◆ Unica Gray with Corrections;
- ◆ Mary Joan Greene with Public Health;
- ◆ Timothy Hackney with Transportation;
- ◆ Ashley Hall with Banking;
- ◆ Angela Hamilton with Corrections;
- ◆ Carolyn Harvey with Public Health;
- ◆ Terry Hebert with Transportation;
- ◆ Gloria Higgins with Human Resources;
- ◆ Carol Hobby with Education;
- ◆ Danny Huggins with Transportation;
- ◆ Amanda Jackson with Human Resources;
- ◆ Isha Jenkins with Rehabilitation Services;
- ◆ Bryan Johns with Mental Health;
- ◆ William Johns with ABC Board;
- ◆ Nancy Kelley with Industrial Relations;
- ◆ Andrew King with Transportation;
- ◆ Dawn Renee Lane with Conservation;
- ◆ Timothy Lawson with Conservation;
- ◆ John D. Lee with Mental Health;
- ◆ James Roger Lovelace with Public Health;
- ◆ Harry Lyles with Transportation;
- ◆ Joseph Mallard with Transportation;
- ◆ Barbara Mills with Human Resources;
- ◆ Shannon Mitchell with Public Health;
- ◆ Elise Moore with Rehabilitation Services;
- ◆ Gary Moore with Transportation;
- ◆ Casandra Morrow with Human Resources;
- ◆ Benjamin Moudry with Transportation;
- ◆ Andrea Nall with Medicaid;
- ◆ Katherine Nazary with Revenue;
- ◆ Andrea Northcott with State Military;
- ◆ Tracy Parks with Human Resources;
- ◆ Jan Perry with Corrections;
- ◆ Angie Price with Transportation;
- ◆ Barbara Pritchett with Human Resources;
- ◆ Patricia Pudsey with Transportation;
- ◆ Mary Ray with Mental Health;
- ◆ Stephanie Reynolds with Mental Health;
- ◆ Olivia Richardson with Revenue;
- ◆ Amanda Ricks with Pardons and Paroles;
- ◆ Betty Rivers with Public Safety;
- ◆ Bonnie Russell with Transportation;
- ◆ Stephanie Sammons with Transportation;
- ◆ Jason Sassin with Public Safety;
- ◆ Marsha Scroggins with Transportation;
- ◆ Katherine Sharich with ABC Board;
- ◆ Betsey Shirley with Public Safety;
- ◆ Doyle Sims with Transportation;
- ◆ Michelle Stanley with Human Resources;
- ◆ Deanne Stephens with Transportation;
- ◆ Kiasha Stevens with Mental Health;
- ◆ Jayne Stinson with Revenue;
- ◆ Kimberly Taylor with Public Health;
- ◆ Monica Taylor with Transportation;
- ◆ Lois Thomas with Human Resources;
- ◆ Joan Thompson with Conservation;
- ◆ Jennifer Till with Rehabilitation Services;
- ◆ Cassandra Toles with Medicaid;
- ◆ Kathleen Trickle with Mental Health;
- ◆ Florence Vance with Rehabilitation Services;
- ◆ Kory Ward with Tourism and Travel;
- ◆ Sharon Watson with Transportation;
- ◆ Gena Watts with Mental Health;
- ◆ Donna Whatley with Education;
- ◆ Angela White with Corrections;
- ◆ Edward Williams with Transportation;
- ◆ Joycelyn Williams with Revenue;
- ◆ Michelle Williams with Mental Health;
- ◆ Sharon Wilson with Transportation;
- ◆ Candace Woodall with Transportation; and
- ◆ Madelina Woods with Transportation.

For more information on how to donate leave to one of these individuals, please visit the State Personnel website at [www.personnel.alabama.gov](http://www.personnel.alabama.gov). To donate your leave to a qualified employee, please visit your personnel manager and request a Form 25A or [download](#) it from the State Personnel website.